

DRAFT

**QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS**

November 18, 2014

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the “Corporation”) was held at 4:30 p.m. on Monday, November 18, 2014, at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following members constituting a quorum were present and participated throughout the meeting as indicated: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, John A. Dorsey, Gregory A. Mancini, Anthony F. Miccolis, Jr., and Marcel A. Valois. Absent were: John G. Laramee, James Rugh, and Richard A. Welch. Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary; and Corporation’s staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 4:45 p.m. by Chairman Marcel A. Valois.

2. APPROVAL OF MINUTES:

Upon motion duly made by Mr. Breslin and seconded by Mr. Mancini, the Board:

VOTED: To approve the Public Session Minutes of the September 16, 2014 meeting, as presented.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, and Gregory A. Mancini.

Voting Against were: None.

Unanimously Approved.

3. STAFF REPORTS:

Mr. King reviewed the staff report with the Board of Directors and passed out an example of the quarterly statements attached hereto as Exhibit A that will be posted on the Quonset Development Corporation's website under the new transparency law requirements.

4. COMMITTEE REPORTS:

There were no meetings of the Quonset Development Corporation committees.

Anthony F. Miccolis, Jr. and John A. Dorsey joined the meeting already in progress at 4:55 p.m.

5. APPROVALS:

A. Approval of Lease and Sublease Amendments with the Rhode Island Airport Corporation and Electric Boat Corporation:

Mr. King advised the Board that Electric Boat (“EB”) was interested adding to their 25 year lease agreement, approved by the Board in December 2013, a building known as 932 that recently became available. The building is 24,300 square feet and is located on Eccelston Drive and is adjacent to EB property. Mr. King explained that building 932 was built in 1970 and has had no capital improvements since then. Mr. King affirmed that building 932 was in need of about \$250,000 worth of major repairs to become code compliant and will also require a new roof. Mr. King reviewed the proposed lease agreement which includes a credit to EB for the life of

the lease for the roof repairs that are estimated to cost \$300,000. Under the agreement, EB would lease the building for \$2.92 per square foot and would receive a term credit of 16%. Mr. King added that options were limited for this building because it could not be rented in its current condition; demolishing the building would cost \$500,000 and then the land, if rented, would lease for about \$25,000 a year.

Mr. King advised that the property in the proposed transaction is owned by the RI Department of Transportation and is managed by the Corporation under the RI Airport Corporation ("RIAC") management agreement. EB would like to make the lease agreement effective January 1, 2015 but may not be charged for the property until the building is code compliant. Mr. King stated that, if approved, RIAC is scheduled to vote on the proposed lease at their next scheduled meeting.

Mr. Berson asked if EB would agree to complete the code compliance work if the Corporation paid for the updates. Mr. King stated he had not discussed this with EB and added that EB might not want to take on the asbestos removal and other labor intensive projects.

Mr. Berson also asked if this lease would be subject to the same rent escalation as the 2013 master lease. Mr. King confirmed that the lease would be under the same escalator. The Board discussed that the Corporation would not make money on this transaction for

several years. Mr. King clarified that this building would simply be added to the 2013 master lease agreement and the Corporation would still remain revenue positive while supporting EB's expansion and projected employment growth.

Upon motion duly made by Mr. Berson and seconded by Ms. Dolan, the Board:

VOTED: The Corporation acting by and through its Chair, Vice-chair, Managing Director or Finance Director, each of them acting alone (the "Authorized Officers") is hereby authorized to enter into, execute and deliver (a) an Amendment to the Lease and Sublease Agreement with Electric Boat Corporation dated December 18, 2013 adding Building 932 to the Premises, and other agreements related thereto and (b) an Amendment to the RIAC Lease dated December 18, 2013, both Amendments substantially in accordance with the Request for Board Authorization presented to the Board (the Amendments and related documents are referred to herein collectively as the "Agreements").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by

executing, delivering and performing any and all modifications, renewals, confirmations and variations of the Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments, and memorandums upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same and shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H.

Breslin, Jr., Elizabeth Dolan, John A. Dorsey, Gregory A. Mancini, and Anthony F. Miccolis, Jr.

Voting Against were: None.

Unanimously Approved.

B. Consideration and Adoption of Code of Ethics:

John R. Pariseault, from Hinckley Allen LLP, presented the Board with the proposed Quonset Development Corporation Code of Ethics.

Mr. Pariseault reminded the Board that under the new Rhode Island Quasi-Public Corporations Accountability and Transparency Act, the Corporation is now required to have and to publish a code of ethics on the Corporation's website. Mr. Pariseault explained that he used the RI General Law's Code of Ethics as an outline for creating the Corporation's document.

Upon motion duly made by Mr. Berson and seconded by Ms. Dolan, the Board:

VOTED: Board of Directors adopts the Quonset Development Corporation Code of Ethics as presented to the Board and attached hereto as Exhibit B.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H.

Breslin, Jr., Elizabeth Dolan, John A. Dorsey, Gregory A. Mancini, and Anthony F. Miccolis, Jr.

Voting Against were: None.

Unanimously Approved.

C. Appointment of Officers of the Quonset Development Corporation in accordance with the Bylaws of the Corporation:

Mr. Valois reviewed the list of Corporation officers with the Board.

Upon motion duly made by Mr. Breslin and seconded by Mr. Mancini, the Board:

VOTED: That the following persons are hereby elected to the offices set forth opposite their names, to hold such offices until the time fixed in accordance with the By-Laws of the Corporation for the next annual meeting of the Board of Directors of the Corporation and thereafter until their successors shall have been duly elected and qualified:

Name Office

Steven J. King Managing Director

John E. Laramée Vice-Chairperson

Anthony F. Miccolis, Jr. Deputy Vice-Chairperson

E. Jerome Batty Secretary

Kevin M. Barry Finance Director

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, John A. Dorsey, Gregory A. Mancini, and Anthony F. Miccolis, Jr.

Voting Against were: None.

Unanimously Approved.

6. Approval of the 2015 Meeting Schedule

The Board reviewed the dates and agreed to move the meeting time back to 5:00 p.m. from 4:30 p.m. beginning in January 2015.

Upon motion duly made by Mr. Berson and seconded by Mr. Dorsey, the Board:

VOTED: Board of Directors adopts the meeting dates for 2015 Meeting Schedule attached hereto as Exhibit C.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, John A. Dorsey, Gregory A. Mancini, and Anthony F. Miccolis, Jr.

Voting Against were: None.

Unanimously Approved.

7. ADJOURNMENT:

Upon motion duly made by Mr. Miccolis and seconded by Mr. Dorsey, the meeting adjourned at 5:25 p.m.

Respectfully submitted:

By: _____
Batty, Secretary

E. Jerome